

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT  
PRICE ADJUSTMENT

Docket No. R2018-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S  
INFORMATION REQUEST NO. 5**  
(October 25, 2017)

The Postal Service hereby files its response to Chairman's Information Request (CHIR) No. 5, issued on October 24, 2017. The question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 5**

1. Please provide a revised version of Library Reference, USPS-LR-R2018-1/2, October 19, 2017, that is consistent with the treatment of revenue forgone for promotions in Library Reference USPS-LR-R2018-1/1, October 19, 2017.

**RESPONSE:**

The Postal Service has submitted a revised version of Library Reference USPS-LR-R2018-1/2.<sup>1</sup> As a result of the requested changes, the overall percent increase for USPS Marketing Mail is 1.936 percent, and the resulting banked authority is 0.072 percent.

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<sup>1</sup> See Notice of the United States Postal Service of Filing Revised Version of USPS-LR-R2018-1/2 – Errata, Docket No. R2018-1 (Oct. 25, 2017).

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2. Please provide a revised version of USPS-LR-R2018-1/2 to update Excel file "Mobile Shopping.xlsx" to include Docket No. R2017-1 rates rather than Docket No. R2015-4 rates as discussed in Response of the United States Postal Service to Chairman's Information Request No. 3, October 23, 2017, question 1.a.

### RESPONSE:

The Postal Service's response to ChIR No. 3, question 1.a., "note[d] a shortcoming of its *adjustment* for the Mobile Shopping promotion."<sup>2</sup> Because the Postal Service has revised the USPS Marketing Mail Library Reference to remove this adjustment, consistent with the the First-Class Mail Library Reference, this shortcoming no longer exists.<sup>3</sup> While the revised calculation relies on calendar year 2016 promotional volumes because the calendar year 2017 promotion is ongoing, it uses Docket No. R2017-1 rates.<sup>4</sup> The Postal Service, therefore, has not revised the rates used in the Excel file "Mobile Shopping Rev 10-25-17.xlsx."

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<sup>2</sup> Response of the United States Postal Service to Chairman's Information Request No. 3, Docket No. R2018-1 (Oct. 23, 2017), at Question 1(a) (emphasis added).

<sup>3</sup> In other words, the Postal Service has not adjusted the revenue calculated using estimated cell-by-cell volumes to match the actual revenue forgone. See *id.* at ¶ 2 (describing calculation of revenue forgone based on an average distribution of reported volumes, without adjusting the calculated revenue to match the actual revenue forgone, which is the method used in the First-Class Mail Library Reference and in past cases).

<sup>4</sup> See Excel file "Mobile Shopping Rev 10-25-17.xlsx," tabs "LFP Current Prices" and "ECR Current Prices," which reference Docket No. R2017-1 prices in the heading, and note at the bottom that the source is the Price List effective January 22, 2017.